



DEPARTMENT OF AGRICULTURE

Food Safety and Inspection Service

[Docket No. FSIS-2023-0007]

Retail Exemptions Adjusted Dollar Limitations

AGENCY: Food Safety and Inspection Service (FSIS), Department of Agriculture (USDA).

ACTION: Notice.

SUMMARY: FSIS is announcing the dollar limitations on the amount of meat and meat products and poultry and poultry products that a retail store can sell to hotels, restaurants, and similar institutions without disqualifying itself for exemption from Federal inspection requirements.

DATES: *Applicable* [INSERT DATE 30 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Gina Kouba, Office of Policy and Program Development, Food Safety and Inspection Service, USDA, 1400 Independence Avenue SW, Mailstop 3758, South Building, Washington, DC 20250-3700; (202) 937-4272.

SUPPLEMENTARY INFORMATION:

Background

The Federal Meat Inspection Act (21 U.S.C. 601 *et seq.*) and the Poultry Products Inspection Act (21 U.S.C. 451 *et seq.*) provide a comprehensive statutory framework to ensure that meat and meat products and poultry and poultry products prepared for commerce are wholesome, not adulterated, and properly labeled

and packaged. Statutory provisions requiring inspection of the processing of meat and meat products and poultry and poultry products do not apply to operations of types traditionally and usually conducted at retail stores and restaurants in regard to products offered for sale to consumers in normal retail quantities (21 U.S.C. 661(c)(2) and 454(c)(2)). FSIS' regulations (9 CFR 303.1(d) and 381.10(d)) elaborate on the conditions under which requirements for inspection do not apply to retail operations involving the preparation of meat and meat products and the processing of poultry and poultry products.

Sales to Hotels, Restaurants, and Similar Institutions

Under the aforementioned regulations, sales to hotels, restaurants, and similar institutions (other than household consumers) disqualify a retail store from exemption if the retail product sales of amenable products exceed either of two maximum limits: 25 percent of the dollar value of the total retail product sales or the calendar year retail dollar limitation set by the FSIS Administrator. The retail dollar limitation is adjusted automatically during the first quarter of the year if the Consumer Price Index (CPI), published by the Bureau of Labor Statistics, shows an increase or decrease of more than \$500 in the price of the same volume of product for the previous year. FSIS publishes a notice of the adjusted retail dollar limitations in the **Federal Register**. (See 9 CFR 303.1(d)(2)(iii)(b) and 381.10(d)(2)(iii)(b).)

The CPI for 2022 reveals an annual average price increase for meat and meat products of 8.20 percent, an average annual price increase for Siluriformes fish and fish products of 9.15 percent, and an annual average price increase for poultry and poultry products of 14.58 percent. When rounded to the nearest \$100 dollar, the retail dollar limitation for meat and meat products, including Siluriformes fish and fish products, increased by \$7,500¹ and the retail dollar limitation for poultry and poultry products increased by \$9,200.² In accordance with 9 CFR 303.1(d)(2)(iii)(b) and 381.10(d)(2)(iii)(b), because the retail dollar limitations for meat and meat products and poultry and poultry products increased by more than \$500, FSIS is increasing the dollar limitation on sales to hotels, restaurants, and similar institutions to \$98,900 for meat and meat products and to \$72,000 for poultry and poultry products for calendar year 2023.

Additional Public Notification

¹ The base value for meat and meat products in 2022 was \$91,390 rounded to the nearest \$100 dollar to \$91,400. The base value included \$88,669 for meat and meat products and \$2,721 to account for Siluriformes fish and fish products. The meat and meat products prices increased by 8.20 percent, or \$7,271 ($\$88,669 \times 0.0820 = \$7,271$), during 2022. The Siluriformes fish and fish products prices increased by 9.15 percent, or \$249 ($\$2,721 \times 0.0915 = \249), during 2022. Combined, the value for meat and meat products that includes Siluriformes fish and fish products increased by \$7,520 ($\$7,271 + \249). Since this change is more than \$500, the retail dollar limitation is adjusted to \$98,900 [$(\$88,669 + \$7,271) + (\$2,721 + \$249) = \$98,910$ which is rounded to \$98,900].

² The base value for poultry and poultry products in 2022 was \$62,824 rounded to the nearest \$100 dollar to \$62,800. The poultry and poultry products prices increased by 14.58 percent, or \$9,160 ($\$62,824 \times 0.1458 = \$9,160$), during 2022. Since this change is more than \$500, the retail dollar limitation is adjusted to \$72,000 ($\$62,824 + \$9,160 = \$71,984$ rounded to \$72,000.).

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Office of the Assistant Secretary for Civil Rights

1400 Independence Avenue, SW

Washington, D.C. 20250-9410;

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(3) Email: program.intake@usda.gov

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Paul Kiecker,

Administrator.

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